COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INQUIRY INTO THE DEVELOPMENT)
OF DEAVERAGED RATES FOR UNBUNDLED) ADMINISTRATIVE
NETWORK ELEMENTS) CASE NO. 382

<u>O R D E R</u>

On February 5, 2004, Kentucky ALLTEL, Inc. ("ALLTEL") provided to this Commission a document it entitled "Unbundled Network Element Cost Study." The Commission had required the filing of this information pursuant to Order dated November 7, 2003. ALLTEL was to have submitted proposed unbundled network element ("UNE") rates with supporting documentation. However, ALLTEL filed insufficient information and no supporting documentation to permit the Commission to adequately review the proposed rates. The Commission considers the establishment of deaveraged UNE rates for ALLTEL, including rates for UNE combinations, to be urgent and critical.

IT IS THEREFORE ORDERED that:

- 1. Within 20 days of the date of this Order, ALLTEL shall file the following information:
- a. A detailed narrative description of the cost model used in producing the cost study.

b. A detailed description of each of the inputs used to produce the

cost study.

c. A detailed description of the manner in which the model used to

establish the cost study is forward-looking and meets total element long-run incremental

cost standards as previously adopted by this Commission;

d. A detailed description of whether there are embedded costs in this

cost study;

e. A description of any other methodology or assumptions used in the

development of the cost study.

2. Moreover, to facilitate the Commission's understanding of ALLTEL's

proposal, an informal conference with Commission Staff is scheduled for March 9, 2004,

at 10:00 a.m., Eastern Standard Time, in the Commission's offices at 211 Sower

Boulevard, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 10th day of February, 2004.

By the Commission

ATTEST:

Executive Director